

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:662

ANSWERED ON:25.02.2010

EFFECTS OF GLOBAL CRISIS

Roy Shri Nripendra Nath;Swamygowda Shri N Cheluvarya Swamy

Will the Minister of TEXTILES be pleased to state:

- (a) the number of workers lost their jobs since advent of the global economic crisis in Textile Sector;
- (b) the measures taken by the Government for the social security of these workers;
- (c) whether there is any measure contemplated to ensure that no retrenchment take place in the textile units which are obtaining bail-out packages;
- (d) if so, whether any assessment has been made regarding the impact of global slowdown of handloom sector; and
- (e) if so, the details thereof indicating the increase/decrease of exports in handloom sector?

Answer

MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SMT. PANABAAGA LAKSHMI)

(a) & (b): The textile industry and trade associations have voiced apprehensions about loss of jobs in the textiles and clothing industry in the wake of global economic slowdown. However, no specific or definite number of job loss attributed to the global economic crisis has been reported so far.

(c) to (e): Government has taken several focused financial and fiscal measures for the textiles industry including the handlooms sector to counter the negative fallout of global economic crisis. Some of the important measures taken by the Government are as follows:

- (i) extension of the DEPB Scheme upto 31st December 2009.
- (ii) Restoration of DEPB rates for synthetic textiles items such as polyester viscose yarn, polyester yarn, viscose yarn, polyester filament yarn, etc;
- (iii) Increase of Duty Drawback rates on knitted fabrics and on specified categories of yarn;
- (iv) Providing pre and shipment credit assistance in rupees as well as in dollars;
- (v) Reduction in import duties of raw materials;
- (vi) Reduction in interest rates on export finance;
- (vii) The fiscal stimulus of Rs. 1,86,000 crores; etc.

Statutory provisions and other measures are already in place to prevent workers from retrenchment, though these are not directly related to the bailout packages. These include the following:-

- (i) Industrial Disputes Act, 1947 puts restriction on lay-offs and retrenchment and provides protection to the workmen in case of lay-off, retrenchment and closure of establishments.
- (ii) The Government is implementing the Rajiv Gandhi Shramik Kalyan Yojna through the Employees' State Insurance Corporation (ESIC) which provides unemployment allowance for upto one year to those insured employees who have put in five years of service and have been rendered jobless due to retrenchment, closure of factories or permanent disability due to non-employment injury.